

Schedule 1
FORM ECSRC – K
ANNUAL REPORT
PURSUANT TO SECTION 98(1) OF THE SECURITIES ACT, 2001

For the financial year ended _____
31st DECEMBER 2021

Issuer Registration number
345640

GRENREAL PROPERTY CORPORATION LIMITED

(Exact name of reporting issuer as specified in its charter)

GRENADA .W.I

(Territory of incorporation)

P.O.BOX 1950, MELVILLE STREET, ST. GEORGE'S, GRENADA .W.I.

(Address of principal office)

REPORTING ISSUER'S:

Telephone number (including area code): 1-473-435-8372

Fax number: 1-473-435-8373

Email address: info@grenreal.com

(Provide information stipulated in paragraphs 1 to 14 hereunder)

Indicate whether the reporting issuer has filed all reports required to be filed by section 98 of the Securities Act, 2001 during the preceding 12 months

Yes

No

Indicate the number of outstanding shares of each of the reporting issuer's classes of common stock, as of the date of completion of this report.

CLASS	NUMBER
ORDINARY SHARES	7,670,302
PREFERENCE SHARES	550,572

SIGNATURES

A Director, the Chief Executive Officer and Chief Financial Officer of the company shall sign this Annual Report on behalf of the company. By so doing each certifies that he has made diligent efforts to verify the material accuracy and completeness of the information herein contained.

The Chief Financial Officer by signing this form is hereby certifying that the financial statements submitted fairly state the company's financial position and results of operations, or receipts and disbursements, as of the dates and period(s) indicated. The Chief Financial Officer further certifies that all financial statements submitted herewith are prepared in accordance with International Accounting Standards consistently applied (except as stated in the notes thereto) and (with respect to year-end figures) including all adjustments necessary for fair presentation under the circumstances.

Name of Chief Executive Officer: *(Designate)* Name of Director: *al*

SIGNED AND CERTIFIED

Signature

_____ *29/9/2022* _____
Date

SIGNED AND CERTIFIED

Signature

_____ *29/09/2022* _____
Date

Name of Chief Financial Officer:

SIGNED AND CERTIFIED

Signature

_____ _____
Date

INFORMATION TO BE INCLUDED IN FORM ECSRC-K

1. **Business.**

Provide a description of the developments in the main line of business including accomplishments and future plans. The discussion of the development of the reporting issuer's business need only include developments since the beginning of the financial year for which this report is filed.

Grenreal Property Corporation Limited (the " Company ") was specifically set up to enable private, professional and institutional investors to benefit from the successful development of the cruise tourism industry in Grenada, in particular, and the development of Grenada as a tourist destination in general. Grenreal also provides a prime commercial spaces for the conduct of leisure and professional services locally.

The company has been in operation for over sixteen years. It offers business opportunities to positively enhance regional commerce and influence cruise tourism in Grenada. It is the owner of property located on the reclaimed land situated at the St. George's Cruise Port, the " Esplanade Mall " and the " Dr. Jan Bosch Building " more commonly known as the Bruce Street Commercial Complex.

The properties are rented to third parties and have very low vacancies. The combined value of the two buildings to date is approximately EC\$66 million. The company's equity value is approximately EC\$37 million and it is presently owned by private as well as public entities. The Company's shares were listed at the Eastern Caribbean Securities Exchange in St. Kitts and Nevis in July 2008.

In 2021, the Grenadian economy started to show positive growth despite the ongoing Covid-19 pandemic. Throughout 2021, Grenreal's overarching goal continued to be maintain liquidity and honour its obligations.

During the Financial year 2021, The company was able to accomplish the following:

1. Secure an extension of the moratorium on its Syndicate Bond payments from its financiers.
2. Provided various levels of discounts to tenants in order to maintain the occupancy level during the continuing covid-19 pandemic.
3. Implemented cost cutting measures to reduce expenditure.
4. Worked towards maintaining the occupancy level in the Bruce Street and Esplanade Malls despite the slowdown in economic activities.
5. Worked toward creating an inviting shopping environment for visitors.

2. Properties.

Provide a list of properties owned by the reporting entity, detailing the productive capacity and future prospects of the facilities. Identify properties acquired or disposed of since the beginning of the financial year for which this report is filed.

The following properties are managed by Grenreal Property Corporation Limited

- ? The Esplanade Mall
- ? Dr. Jan Bosch Building (Bruce Street Mall)

No new properties have been acquired or disposed off since the beginning of the financial year ended 31 December 2021.

The Grenreal Property Corporation Limited (Grenreal) leases the following properties:

- ? The Esplanade Mall
- ? Dr. Jan Bosch Building (Bruce Street Mall)

The both properties are structurally connected and therefore are seen as one Facility.

3. Legal Proceedings.

Furnish information on any proceedings that were commenced or were terminated during the current financial year. Information should include date of commencement or termination of proceedings. Also include a description of the disposition thereof with respect to the reporting issuer and its subsidiaries.

Currently there are no Legal Proceedings against Grenreal

4. Submission of Matters to a Vote of Security Holders.

If any matter was submitted to a vote of security holders through the solicitation of proxies or otherwise during the financial year covered by this report, furnish the following information:

- (a) The date of the meeting and whether it was an annual or special meeting.

Not Applicable

- (b) If the meeting involved the election of directors, the name of each director elected at the meeting and the name of each other director whose term of office as a director continued after the meeting.

Not Applicable

- (c) A brief description of each other matter voted upon at the meeting and a statement of the number of votes cast for or against as well as the number of abstentions as to each such matter, including a separate tabulation with respect to each nominee for office.

Not Applicable

- (d) A description of the terms of any settlement between the registrant and any other participant.

Not Applicable

- (e) Relevant details of any matter where a decision was taken otherwise than at a meeting of such security holders.

Not Applicable

5. Market for Reporting issuer's Common Equity and Related Stockholder Matters.

Furnish information regarding all equity securities of the reporting issuer sold by the reporting issuer during the period covered by the report.

Not Applicable

6. Financial Statements and Selected Financial Data.

Attach Audited Financial Statements, which comprise the following:

For the most recent financial year

- (i) Auditor's report; and
- (ii) Statement of Financial Position;

For the most recent financial year and for each of the two financial years preceding the date of the most recent audited Statement of Financial Position being filed

- (iii) Statement of Profit or Loss and other Comprehensive Income;
- (iv) Statement of Cash Flows;
- (v) Statement of Changes in Equity; and
- (vi) Notes to the Financial Statements.

7. Disclosure about Risk Factors.

Provide a discussion of the risk factors that may have an impact on the results from operations or on the financial conditions. Avoid generalised statements. Typical risk factors include untested products, cash flow and liquidity problems, dependence on a key supplier or customer, management inexperience, nature of business, absence of a trading market (specific to the securities of the reporting issuer), etc. Indicate if any risk factors have increased or decreased in the time interval between the previous and current filing.

Risk factors that may impact on Grenreal's operations:

Nature of the real estate industry:

There are existing shopping malls in Grenada that can be viewed as competitors of Grenreal. In terms of pricing they can have lower rates. However, Grenreal as the sole cruise passenger mall on the island retains a competitive edge.

Dependency on economic conditions:

Limited economic activity has an adverse impact on revenue collections. During the year 2021 Grenada experience macroeconomic growth of 5.32% a opposed the contraction 13.76% due to the Covid 19 pandemic in 2020(Macrotrends). It was expected that there will be a consistent increase in economic activity once covid-19 infections are controlled, cruise ships cruises return to the island and St. George's University is reopened. growth will stand at 3.3% in December 2022(Grenada Parliment Mid Year Review). The end of the Covid -19 pandemic was anticipated at the end of 2022. Continued growth will positively affect Grenreal's business.

Development of the tourism industry

The Grenada Tourism Authority (GTA) continues to to monitor the global tourism market as the world reacts to the spread of the global Covid 19 pandemic. Cruise liners are expected to return to their regular destinations as cruise bookings for the 2021-2022 season continue to increase. It is also expected that consumer confidence in airline travel will return in the short term. However, if the source markets continue to struggle with controlling the spread of the virus, the tourism industry will be adversely affected. The GTA is working to keep all stakeholders engaged in discussion on the way forward inspite of the uncertainty. Great effort is being exerted on the implementation of protocols for reopening the tourism sector.

Liquidity risk

Grenreal can face difficulty in meeting its financial obligations in particular loan payments. The company, as far as possible continues to mitigate same by ensuring sufficient resources are available when due, under both stressed and normal conditions. As part of receivables management tenants are actively engaged to comply with lease terms and conditions, and are granted discounts.

Changes in legislations

Grenreal is generally affected by changes in government legislation. Legislation- Emergency Powers Regulations implemented as a result of the Covid 19 pandemic on March 25th, 2020 adversely affected economic activity in the mall. The slow but continuous easing of restrictions may assist with the re-growth of the economy.

Operational risks

The possibility of deficiencies in company information and control systems, human error and disasters are assessed regularly and measures are implemented to reduce same. In particular, continuous upgrades to systems, supervisory control to minimize human error, insurance coverage for natural disasters and other policies where applicable.

8. Changes in Securities and Use of Proceeds.

- (a) Where the rights of the holders of any class of registered securities have been materially modified, give the title of the class of securities involved. State briefly the general effect of such modification upon the rights of holders of such securities.

Not Applicable

- (b) Where the use of proceeds of a security issue is different from that which is stated in the registration statement, provide the following:

- Offer opening date (provide explanation if different from date disclosed in the registration statement)

Not Applicable

- Offer closing date (provide explanation if different from date disclosed in the registration statement)

Not Applicable

- Name and address of underwriter(s)

Not Applicable

Not Applicable

- Amount of expenses incurred in connection with the offer Not Applicable

- Net proceeds of the issue and a schedule of its use

Not Applicable

- Payments to associated persons and the purpose for such payments

Not Applicable

- (c) Report any working capital restrictions and other limitations upon the payment of dividends.

Not Applicable

9. Defaults upon Senior Securities.

- (a) If there has been any material default in the payment of principal, interest, a sinking or purchase fund instalment, or any other material default not satisfied within 30 days, with respect to any indebtedness of the reporting issuer or any of its significant subsidiaries exceeding 5 per cent of the total assets of the reporting issuer and its consolidated subsidiaries, identify the indebtedness. Indicate the nature of the default. In the case of default in the payment of principal, interest, or a sinking or purchase fund instalment, state the amount of the default and the total arrears on the date of filing this report.

Not Applicable

- (b) If any material arrears in the payment of dividends have occurred or if there has been any other material delinquency not satisfied within 30 days, give the title of the class and state the amount and nature of the arrears or delinquency.

Not Applicable

10. Management's Discussion and Analysis of Financial Condition and Results of Operation.

Discuss the reporting issuer's financial condition covering aspects such as liquidity, capital resources, changes in financial condition and results of operations during the financial year of the filing. Discussions of liquidity and capital resources may be combined whenever the two topics are interrelated.

The Management's Discussion and Analysis should disclose sufficient information to enable investors to judge:

1. The quality of earnings;
2. The likelihood that past performance is indicative of future performance; and
3. The issuer's general financial condition and outlook.

It should disclose information over and above that which is provided in the management accounts and should not be merely a description of the movements in the financial statements in narrative form or an otherwise uninformative series of technical responses. It should provide management's perspective of the company that enables investors to view the business from the vantage point of management.

The discussion should focus on aspects such as liquidity; capital resources; changes in financial condition; results of operations; material trends and uncertainties and measures taken or to be taken to address unfavourable trends; key performance indicators; and non-financial indicators.

General Discussion and Analysis of Financial Condition

Total Income for the year ended December 31st, 2021 was EC\$2,247,893, (year ended December 31st 2020: EC\$2,994,886) a 24% decrease. This decrease in income is primarily the result of the further increase in % discounts offered to cruise oriented tenants. These tenants received a further 25% discount on their contracted rent. Several tenants expressed their gratitude as, in their words, they would not have been able to survive the depressed economic conditions of 2021 without the discounts..

Despite the negative impact of the Covid-19 pandemic on the Grenadian economy and by extension the businesses of the tenants, the demand for rental spaces in the malls has grown. However, during the year 2021, Grenreal's occupancy rate reached 100%. Grenreal is encouraged by the number of continuing inquiries for rental space. It is believed that should any retail unit be vacated in the near future, the unit will be easily rented.

During the year 2021, Grenreal was able to maintain a cash balance that allowed for some ease of operations despite the discounts offered. Grenreal avoided a possible liquidity crisis through the gracious acquiescence of the Syndicate Bond Holders to a request from Grenreal for a moratorium on principal and interest.

Grenreal's property was valued at EC\$66,325,800 as at 31st December 2021 compared to a valuation of EC\$48,078,600 at the end of the previous year. The Income Method was used to arrive at the Market Value of the property. The valuation was done by an independent valuator.

Grenreal's total assets increased by \$18,271,586, this is also primarily as a result of the improvement in property valuation.

Cruise ships returned to the island at the end of 2021. This gave a much needed boost to the businesses within the mall. At the end of 2021, it was also decided that the discounts afforded to Grenreal's tenants because of the covid-19 pandemic would be discontinued.

Liquidity and Capital Resources

Provide a narrative explanation of the following (but not limited to):

- i) The reporting issuer's financial condition covering aspects such as liquidity, capital resources, changes in financial condition and results of operations.
- ii) Any known trends, demands, commitments, events or uncertainties that will result in, or that are reasonably likely to result in, the issuer's liquidity increasing or decreasing in any material way. If a deficiency is identified, indicate the course of action that the reporting issuer has taken or proposes to take to remedy the deficiency.
- iii) The issuer's internal and external sources of liquidity and any material unused sources of liquid assets.
- iv) Provisions contained in financial guarantees or commitments, debt or lease agreements or other arrangements that could trigger a requirement for an early payment, additional collateral support, changes in terms, acceleration of maturity, or the creation of an additional financial obligation such as adverse changes in the issuer's financial ratios, earnings, cash flows or stock price or changes in the value of underlying, linked or indexed assets.
- v) Circumstances that could impair the issuer's ability to continue to engage in transactions that have been integral to historical operations or are financially or operationally essential or that could render that activity commercially impracticable such as the inability to maintain a specified level of earnings, earnings per share, financial ratios or collateral.
- vi) Factors specific to the issuer and its markets that the issuer expects will affect its ability to raise short-term and long-term financing, guarantees of debt or other commitment to third parties, and written options on non-financial assets.
- vii) The relevant maturity grouping of assets and liabilities based on the remaining period at the balance sheet date to the contractual maturity date. Commentary should provide information about effective periods and the way the risks associated with different maturity and interest profiles are managed and controlled.
- viii) The issuer's material commitments for capital expenditures as of the end of the latest fiscal period, and indicate the general purposes of such commitments and the anticipated source of funds needed to fulfil such commitments.
- ix) Any known material trends, favorable or unfavorable, in the issuer's capital resources, including any expected material changes in the mix and relative cost of capital resources, considering changes between debt, equity and any off-balance sheet financing arrangements.

Discussion of Liquidity and Capital Resources

As of December 31st, 2021 the company's working capital ratio(current assets : current liabilities) is 0.23:1. At the end of December 31st, 2019 this ratio was higher at 0.41:1. This means that there is 23 cents of current assets available to cover every dollar of current liabilities. An invoice for legal services in the amount of \$351,014.00 was recognised in December 2020, thus the weakening of the working capital ratio. As the legal bill is paid down and arrangements made to settle the interest accrued on the moratorium, this ratio is expected to improve.

Tenants generally attempted to make timely payments on their rents. The tenants that mainly cater to cruise passengers collectively requested further relief during 2021. In response to their request, management granted a further 25% discount to the most affected tenants. Receivables as at year end 2021 was approximately \$329,072 as of December 2020 the receivables balance was\$294,072. It should be noted that significant write off were applied to a few tenants during 2020.

The company's debt to equity ratio at the end of 2021 is 0.61:1 (December 2020- the ratio was 1.07:1. There is \$1.07 of long term debt to every dollar of equity. This ratio has improved to pre pandemic levels as the positive outlook for the year 2022 influenced an increase in the property valuation.

Off Balance Sheet Arrangements

Provide a narrative explanation of the following (but not limited to):

- i) Disclosures concerning transactions, arrangements and other relationships with unconsolidated entities or other persons that are reasonably likely to materially affect liquidity or the availability of, or requirements for capital resources.
- ii) The extent of the issuer's reliance on off-balance sheet arrangements should be described fully and clearly where those entities provide financing, liquidity, market or credit risk support, or expose the issuer to liability that is not reflected on the face of the financial statements.
- iii) Off-balance sheet arrangements such as their business purposes and activities, their economic substance, the key terms and conditions of any commitments, the initial on-going relationship with the issuer and its affiliates and the potential risk exposures resulting from its contractual or other commitments involving the off-balance sheet arrangements.
- iv) The effects on the issuer's business and financial condition of the entity's termination if it has a finite life or it is reasonably likely that the issuer's arrangements with the entity may be discontinued in the foreseeable future.

The Company does not have any off-balance sheet transactions.

Results of Operations

In discussing results of operations, issuers should highlight the company's products and services, facilities and future direction. There should be a discussion of operating considerations and unusual events, which have influenced results for the reporting period. Additionally, any trends or uncertainties that might materially affect operating results in the future should be discussed.

Provide a narrative explanation of the following (but not limited to):

- i) Any unusual or infrequent events or transactions or any significant economic changes that materially affected the amount of reported income from continuing operations and, in each case, the extent to which income was so affected.
- ii) Significant components of revenues or expenses that should, in the company's judgment, be described in order to understand the issuer's results of operations.
- iii) Known trends or uncertainties that have had or that the issuer reasonably expects will have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.
- iv) Known events that will cause a material change in the relationship between costs and revenues (such as price increases, costs of labour or materials), and changes in relationships should be disclosed.
- v) The extent to which material increases in net sales or revenues are attributable to increases in prices or to increases in the volume or amount of goods or services being sold or to the introduction of new products or services.
- vi) Matters that will have an impact on future operations and have not had an impact in the past.
- vii) Matters that have had an impact on reported operations and are not expected to have an impact upon future operations
- viii) Off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships that have or are reasonably likely to have a current or future effect on the registrant's financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.
- ix) Performance goals, systems and, controls,

Overview of Results of Operations

Retail tenants generally received discounts of 50% whereas cruise oriented tenants generally benefited from 75% discounts. Total Income for the year ended December 31st 2021 was EC\$2,247,893, (year ended December 31st 2020: EC\$2,994,886) a 25% decrease. This decrease in income is the result of depressed economic activity due to lock downs and limited movement imposed by Grenada's government to curb the spread of covid-19.

Grenreal's management continuously strive to reduce the vacancy rates within the Malls, During the year 2021, 100% occupancy was achieved. New space was created within the mall to accommodate the new sports bar and the salad/ soup bar. Grenreal also anticipated the opening of a popular ice cream chain within the mall.

Operational expenses for the year ended December 31st 2020 was EC\$1,529,551 (year ended December 31st 2020: EC\$1,593,806), a decrease of 4%. The main source of the decrease in operational expenditure is a 13% decrease in security expenses and public relations. Notwithstanding these decreases, there were cumulative increases in Janitorial expenses (sanitising supplies), maintenance and utilities.

General expenses for the year ended December 31st 2021 changed by \$9,015 or a 3% decrease to EC\$287,957 (year ended December 31st 2020: EC\$296,972). Included in general expenses, was a decrease of \$17,286.00 in legal fees. These fees were incurred for work done in preparation for the extraordinary shareholder's meeting on January 8th, 2020, held to convert shareholders loans to preference shares.

It must be noted that for the year 2021 Grenreal generated operating profits of \$365,053.

11. Changes in and Disagreements with Auditors on Accounting and Financial Disclosure.

Describe any changes in auditors or disagreements with auditors, if any, on financial disclosure.

Not Applicable

12. Directors and Executive Officers of the Reporting Issuer. (*Complete Biographical Data Form attached in Appendix 1 and Appendix 1(a) for each director and executive officer*)

Furnish biographical information on directors and executive officers indicating the nature of their expertise.

13. Other Information.

The reporting issuer may, at its option, report under this item any information, not previously reported in a Form ECSRC – MC report provided that the material change occurred within seven days of the due date of the Form ECSRC – K report. If disclosure of such information is made under this item, it need not be repeated in a Form ECSRC – MC report which would otherwise be required to be filed with respect to such information.

Not Applicable

14. List of Exhibits

List all exhibits, financial statements, and all other documents filed with this report.

The Audited Financial Statements for the Period Ended 31st December 2021.

APPENDIX 1 – BIOGRAPHICAL DATA FORMS

DIRECTORS OF THE COMPANY

Name: MR. RONALD HUGHES Position: CHAIRMAN OF GRENREAL

Mailing Address: P.O. BOX 1950, MELVILLE STREET, ST. GEORGE'S, GRENADA W.I.
P.O. BOX 1950, MELVILLE STREET, ST. GEORGE'S, GRENADA W.I.

Telephone No.: 1-473-409-9589

List jobs held during past five years (include names of employers and dates of employment).
Give brief description of **current** responsibilities

Ronald L Hughes entered the Insurance Industry in 1984 when he joined Caribbean Insurance Company Limited which was subsequently rebranded TransNemwil Insurance Limited Grenada.

Mr. Hughes worked in most Departments of the Company and held the positions of Marketing Manager and Claims Manager before being appointed General Manager on March 1st 1997 and then Managing Director on July 1st 1998. Much of his training was received through the Trinidad and Tobago Insurance Academy, the Insurance Institute of America and the National Leadership Institute /CPCU Society. Mr. Hughes is a past President of the Association of Grenada Insurance Companies.

Mr. Hughes continues at the helm as the Managing Director of TransNemwil Insurance Limited, Grenada ,which was rebranded in 2015 to Guardian Group Grenada. Presently he is a Director of Grenada Transport Board and Insurance Association of the Caribbean.

Education (degrees or other academic qualifications, schools attended, and dates):

Professional Development Courses:

- 1992 The Academy of Insurance of Trinidad and Tobago - Motor Insurance Practice.
- 1992 The Academy of Insurance of Trinidad and Tobago and the London School of Insurance- Strategic Planning/Management
- 1993 The Academy of Insurance of Trinidad and Tobago - Reinsurance.
- 1999 The Academy of Insurance of Trinidad and Tobago - Contractors' All Risks insurance.
- 2006 CPCU Society National Leadership Institute - Strategic Planning, Strategic Thinking, Persuasive Communication for Leaders

Use additional sheets if necessary.

APPENDIX 1(a) – BIOGRAPHICAL DATA FORMS

EXECUTIVE OFFICERS AND OTHER KEY PERSONNEL OF THE COMPANY

Name: MS. LINDY SMITH-MCLEOD Position: CHIEF EXECUTIVE OFFICER/COMP,

Mailing Address: P.O. BOX 1950, MELVILLE STREET, ST. GEORGE'S, GRENADA W.I.
P.O. BOX 1950, MELVILLE STREET, ST. GEORGE'S, GRENADA W.I.

Telephone No.: 1-473-435- 8372

List jobs held during past five years (including names of employers and dates of employment).
Give brief description of **current** responsibilities.

CHIEF EXECUTIVE OFFICER (GRENREAL PROPERTY CORPORATION LIMITED - October 2022
CHIEF FINANCIAL OFFICER (GRENREAL PROPERTY CORPORATION LIMITED - April 2018 – September 2022 ;
Responsible for managing the finances of the Company and budgeting and planning.

Education (degrees or other academic qualifications, schools attended, and dates):

1988 B.Sc. Degree in Accountg; University of the West Indies, St. Augustine Tinidad;
1982 Associate Degree in Arts ; TA Marryshow Community College
1999 Diplome de Langue Francaise; Alliance Francais, Paris

Also a Director of the company Yes No

If retained on a part time basis, indicate amount of time to be spent dealing with company matters:

ON CONTRACT, FULL TIME

Use additional sheets if necessary.